

# Auxier Road Gas Company, Inc.

Box 785  
Prestonsburg, Kentucky 41653

Estill B. Branham  
President

(606) 886-2314

February 28, 2006

RECEIVED

MAR - 1 2006

PUBLIC SERVICE  
COMMISSION

Ms. Beth O'Donnell  
Executive Director  
Public Service Commission  
P O Box 615  
Frankfort, ky 40602

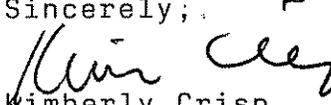
Case 2006-00090

Dear Ms. O'Donnell

Enclosed is the Gas Cost Recovery for April 1, 2006 thru March 31, 2006.

If you have any questions, please call at the above number.

Sincerely;

  
Kimberly Crisp

Auxier Road Gas

RECEIVED

MAR - 1 2006

PUBLIC SERVICE  
COMMISSION

QUARTERLY REPORT OF GAS COST  
RECOVERY RATE CALCULATION

Date Filed:

February 28, 2006

Date Rates to be Effective:

April 1, 2006

Reporting Period is Calendar Quarter Ended:

December 31, 2005

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	11.0308
+ Refund Adjustment (RA)	\$/Mcf	(1.0848)
+ Actual Adjustment (AA)	\$/Mcf	.0059
+ Balance Adjustment (BA)	\$/Mcf	
<u>= Gas Cost Recovery Rate (GCR)</u>	\$/Mcf	<u>9.9519</u>

GCR to be effective for service rendered from April to June.

<u>A. EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Schedule II)	\$	1,173,488
+ Sales for the 12 months ended <u>Dec 31, 2005</u>	Mcf	106,383
<u>= Expected Gas Cost (EGC)</u>	\$/Mcf	<u>11.0308</u>

<u>B. REFUND ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Supplier Refund Adjustment for Reporting Period (Sch. III)	\$/Mcf	
+ Previous Quarter Supplier Refund Adjustment	\$/Mcf	
+ Second Previous Quarter Supplier Refund Adjustment	\$/Mcf	
+ Third Previous Quarter Supplier Refund Adjustment	\$/Mcf	
<u>= Refund Adjustment (RA)</u>	\$/Mcf	<u>_____</u>

<u>C. ACTUAL ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	.4728
+ Previous Quarter Reported Actual Adjustment	\$/Mcf	(2.426)
+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(1.893)
+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(.8957)
<u>= Actual Adjustment (AA)</u>	\$/Mcf	<u>(1.0848)</u>

<u>D. BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	(1.0015)
+ Previous Quarter Reported Balance Adjustment	\$/Mcf	.0118
+ Second Previous Quarter Reported Balance Adjustment	\$/Mcf	(1.011)
+ Third Previous Quarter Reported Balance Adjustment	\$/Mcf	.0066
<u>= Balance Adjustment (BA)</u>	\$/Mcf	<u>.0059</u>

SCHEDULE II  
EXPECTED GAS COST

Actual\* Mcf Purchases for 12 months ended Dec 31, 2005

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5)** Rate	(6) (4)x(5) Cost
Constellation			72508	9.768	708258
AEI-KARVS			4591	3.10	14232
ERAX			8386	16.3909	137454
Columbia NLR			20895	15.0059	313578
Totals			<u>106380</u>		<u>1173492</u>

Line loss for 12 months ended Dec 31, 2005 is \_\_\_\_\_% based on purchases of 106380 Mcf and sales of 106380 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	1173492
+ Mcf Purchases (4)	Mcf	106380
= Average Expected Cost Per Mcf Purchased	\$/Mcf	11.0311
x Allowable Mcf purchases (must not exceed Mcf sales + .95)	Mcf	106380
= Total Expected Gas Cost (to Schedule IA.)	\$	1173488

\*Or adjusted pursuant to Gas Cost Adjustment Clause and explained herein.  
\*\*Supplier's tariff sheets or notices are attached.

SCHEDULE IV  
ACTUAL ADJUSTMENT

For the 3 month period ended Dec 31, 2005

Particulars	Unit	Month 1 (Oct)	Month 2 (Nov)	Month 3 (Dec)
Total Supply Volumes Purchased	Mcf	6576	10936	15768
Total Cost of Volumes Purchased	\$	63026	131195	250163
+ Total Sales (may not be less than 95% of supply volumes)	Mcf	6465	10934	15505
= Unit Cost of Gas	\$/Mcf	9.7488	11.9988	16.5213
- EGC in effect for month	\$/Mcf	12.1591	12.1591	12.1591
= Difference [(Over-)/Under-Recovery]	\$/Mcf	(2.4103)	(.1603)	4.3622
x Actual sales during month	Mcf	6465	10934	15505
= Monthly cost difference	\$	(15583)	(1753)	67636

	Unit	Amount
Total cost difference (Month 1 + Month 2 + Month 3)	\$	50300
+ Sales for 12 months ended <u>Dec 31, 2005</u>	Mcf	106383
= Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	.4728

SCHEDULE V  
BALANCE ADJUSTMENT

For the 3 month period ended Dec 31, 2005

<u>Particulars</u>	<u>Unit</u>	<u>Amount</u>
(1) Total Cost Difference used to compute AA of the GCR effective four quarters prior to the effective date of the currently effective GCR.	\$	(6670)
Less: Dollar amount resulting from the AA of <u>(.0042)</u> \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of <u>106383</u> Mcf during the 12-month period the AA was in effect.	\$	6830
Equals: Balance Adjustment for the AA.	\$	<u>(160)</u>
(2) Total Supplier Refund Adjustment including interest used to compute RA of the GCR effective four quarters prior to the effective date of the currently effective GCR.	\$	
Less: Dollar amount resulting from the RA of _____ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of _____ Mcf during the 12-month period the RA was in effect.	\$	
Equals: Balance Adjustment for the RA.	\$	<u>          </u>
(3) Total Balance Adjustment used to compute BA of the GCR effective four quarters prior to the effective date of the currently effective GCR.	\$	
Less: Dollar amount resulting from the BA of _____ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of _____ Mcf during the 12-month period the BA was in effect.	\$	
Equals: Balance Adjustment for the BA.	\$	<u>          </u>
Total Balance Adjustment Amount (1) + (2) + (3)	\$	(160)
+ Sales for 12 months ended <u>Dec 31, 2005</u>	Mcf	<u>106383</u>
= Balance Adjustment for the Reporting Period (to Schedule ID.)	\$/Mcf	<u>(.0015)</u>

EQUITABLE ENERGY LLC  
 225 NORTH SHORE DRIVE  
 5TH FLOOR  
 PITTSBURGH, PA 15212-5861  
 Fax: (412) 395-3666

Invoice Number: S-05090086  
 Customer ID: AUXIERROADCO  
 Customer Number:  
 GMS Contract Number: S-AUXIERROADCO-S-0003  
 Invoice Date: 23-Nov-2005  
 Due Date: 06-Dec-2005  
 Production Month: 9/2005

AUXIER ROAD GAS COMPANY  
 AUXIER ROAD PO BOX 785  
 PRESTONSBURG, KY 41653

## EQUITABLE ENERGY LLC

<u>Pipeline</u>	<u>Meter</u>	<u>Description</u>	<u>Stat.</u>	<u>Quantity</u>	<u>Avg.Price</u>	<u>AmountDue</u>
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(~~Prod~~month = 9 ProdYear = 2005)

KENTUCKY.WV TD4		AUXIER ROAD GAS COMPANY	Act	7 Dth	\$14.61000	\$102.27
Current Totals				7 Dth		\$102.27

Recap:

Commodity Total	\$102.27
Net Amount Due	\$102.27

Amount Calculated In (USD)

**BTU FACTOR 1.1219 X \$14.61 WACOG = \$16.3909**

Please Wire Transactions To:  
 MELLON BANK NA  
 PITTSBURGH, PA  
 Account #: 1212494  
 ABA# 043000261

Please Send Invoices To:  
 EQUITABLE ENERGY LLC  
 225 NORTH SHORE DRIVE  
 5TH FLOOR  
 PITTSBURGH, PA 15212-5861  
 Fax: (412) 395-3666  
 Phone: (412) 395-2616

Please Remit Check To:  
 EQUITABLE ENERGY LLC  
 4TH FLOOR  
 225 NORTH SHORE DRIVE  
 PITTSBURGH, PA 15212-5861

Please Send Correspondence To:  
 EQUITABLE ENERGY LLC  
 4TH FLOOR  
 225 NORTH SHORE DRIVE  
 PITTSBURGH, PA 15212-5861  
 Phone: (412) 395-2616  
 Fax: (412) 395-3666

Invoice Number: S-05090086

Customer ID: AUXIERROADCO

Page 1

**COLUMBIA NATURAL RESOURCES, LLC**  
 900 Pennsylvania Avenue  
 P. O. Box 6070  
 Charleston, West Virginia 25362-0070

DATE: 02/24/06  
 BUS. PERIOD: 1/06

CLIENT NO.: 080985-01  
 CONTRACT NO.: SSE003  
 INVOICE NUMBER: SSE0030602  
 VOUCHER NUMBER: 00602579

NAME: Auxler Road Gas Company Inc.  
 ADDRESS: P. O. Box 785  
 CITY: Prestonburg, KY 41653  
 ATTN: Estill Branham

DESCRIPTION	DTH	BILLING RATE	AMOUNT	DATE
Current Volumes	1,843	\$12.31	\$22,687.33	1/06

BTU FACTOR 1.219 X \$12.31 WACOG = \$15.0059

\*\* INVOICE AMOUNT DUE \*\* \$22,687.33  
 \*\* NET AMOUNT DUE ON OR BEFORE MARCH 17, 2006 \*\*

837016  
 Make Check Payable To: Columbia Natural Resources, Inc.  
 Please Remit Check To: P.O. Box 1073  
 Charleston, WV 25324  
 Please Return One Copy Of This Invoice With Your Remittance

**Constellation NewEnergy - Gas Division**

9960 Corporate Campus Dr. Suite 2000, Louisville, KY 40223  
 Phone: (502) 426-4500 Fax: (502) 426-9800

Estill Branham  
 606-986-2314  
 606/889-9995

**AUXIER ROAD GAS COMPANY**  
**Estimated Citygate Prices if Bought Monthly**

Month	(A) NYMEX 02/27/05	(B) Basis	(C) TCO Fuel	(D) TCO Transportation	(E) Auxier Road Gas Citygate (\$/Dth) (A+B)/(C+D)	(F) Estimated Consumption Dth <small>(Used 2005 Consumption)</small>	(G) Total Cost Monthly (E*F)
Apr-06	\$7.0500	\$0.4000	0.97993	\$0.2500	\$7.8526	4,052	\$31,818.67
May-06	\$7.2200	\$0.4000	0.97993	\$0.2500	\$8.0261	4,760	\$38,204.07
Jun-06	\$7.3800	\$0.4000	0.97993	\$0.2500	\$8.1893	2,481	\$20,317.76
						11,293	\$90,340.50

WACOG = \$6.00

BTU FACTOR 1.221 X 8.00 WACOG = \$9.768

# Auxier Road Gas Company, Inc.

Box 785  
Prestonsburg, Kentucky 41653

Estill B. Branham  
President

(606) 886-2314

	<u>Base Rate</u>	<u>GAS COST</u> <u>REC</u>	<u>TOTAL</u>
First MCE (Minimum Bill)	5.11	9.9519	15.0619
ALL OVER First MCE	4.2599	9.9519	14.2118